Government of Saskatchewan

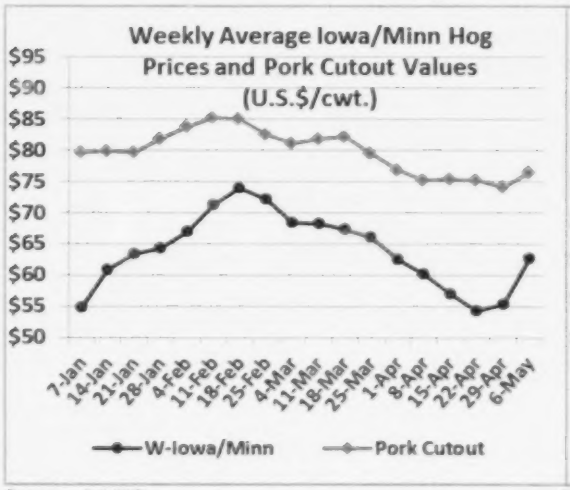
This information is provided as a resource by Saskatchewan Agriculture staff.
All prices are in Canadian dollars unless otherwise noted.
Please use this information at your own risk.

Weekly Hog Report

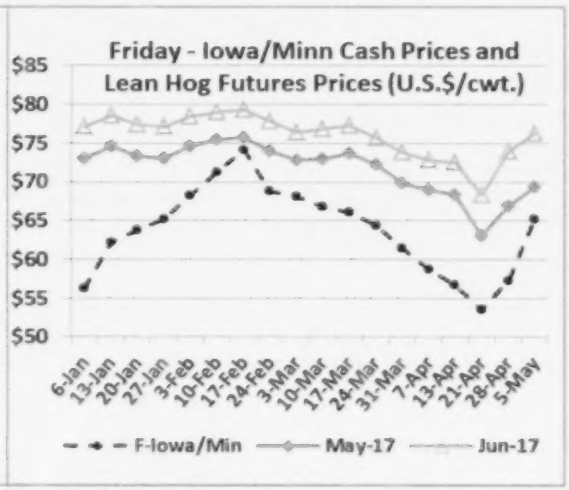
May 15, 2017

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) continued higher last week Hog prices on Friday May 12 averaged US$70.23 per cwt, up US$5.11 per cwt or 7.9 per cent from US$65.12 per cwt the previous Friday. The negotiated weekly base price last week averaged US$69.55 per cwt, up US$6.87 per cwt or 11.0 per cent from US$62.68 per cwt the previous week. Slaughter weight cash hog prices continued higher with seasonal strength and continued good packer margins on higher pork cutout values.



Source: LMIC



Source: LMIC, CME

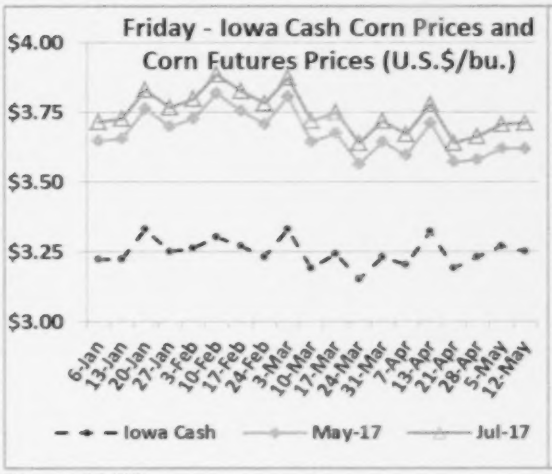
In Canada, the Signature#5 (Maple Leaf) Index 100 daily price for Friday May 12, 2017 was $174.59 per ckg, up $14.56 per ckg or 9.1 per cent from $160.03 per ckg the previous Friday. Signature#5 weekly prices (Friday to Thursday) averaged $168.08 per ckg, up $16.13 per ckg or 10.6 per cent from the previous weeks' average price of $151.95 per ckg. The Canadian dollar was relatively steady last week to settle last Friday at 72.92 cents, down 0.01 cents from 72.93 cents the previous Friday.

Futures Markets

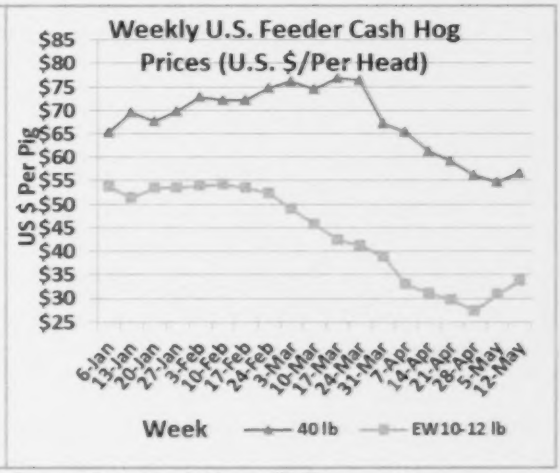
United States lean hog futures daily prices were primarily higher last week to help futures prices move higher, week-over-week. The nearby May lean hog futures contract increased US$2.500 per cwt last week to settle Friday at US$71.900 per cwt; while the June lean hog futures contract increased US$1.625 per cwt to settle last Friday at US$77.950 per cwt. Higher pork cutout values over the week with increased pork demand helped futures prices move higher.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were higher last week. Weighted average cash prices for iso-weans (12lb) last week were US$33.60 per head, up US$2.72 per head or 8.8 per cent from US$30.88 per head the previous week. Feeders (40lb) averaged US$56.42 per head, up US$1.67 per head or 3.0 per cent from US$54.75 per head, the previous week.



Source: LMIC



Source: Iowa Agriculture, CME

Iowa cash corn prices settled last Friday at US$3.25 per bushel, down two cents from US$3.27 per bushel the previous Friday. Corn futures were overall steady, week-over-week. The May corn contract was unchanged to settle Friday at US$3.61 ¾ per bushel; while the July contract was up a ¼ cent to settle Friday at US$3.71 per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending May 13 were estimated at 2.258 million head, down slightly from 2.262 million head the previous week, but up 4.5 per cent from 2.162 million head the same week a year ago. Weekly U.S. hog slaughter numbers over the last four weeks have averaged about 2.279 million head, up 4.2 per cent from 2.187 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending May 6, 2017 were estimated at 407,457 head, down 2.6 per cent from 418,135 head the previous week, but up 1.0 per cent from 403,405 head the same week a year ago. Canadian hog slaughter numbers over the last four weeks averaged 401,686 head, down 1.1 per cent from 406,203 head over the same period a year ago. Year-to-date, Canadian hog slaughter numbers totaled 7,300,932 head, up 1.4 per cent from the same period a year ago. (Source: AAFC/CFIA)

In Western Canada, federal and provincial hog slaughter numbers for the four weeks ending May 6, 2017 averaged 165,767 head, down 0.6 per cent from 166,708 head over the same period a year ago. Year-to-date, Western Canadian hog slaughter numbers totaled 3,120,848 head in 2017, up 2.3 per cent from the same period a year ago.

Meat Production

U.S. pork production for the week ending May 13, 2017 was estimated at 480.8 million lb., down slightly from 481.9 million lb. the previous week, but up 4.6 per cent from 459.6 million lb. the same week a year ago. Pork production over the last four week's ending May 13 was estimated to average 485.4 million lb., up 4.1 per cent from 466.5 million lb. over the same four week period a year ago.

U.S. beef production for the week ending May 13 was estimated at 486.5 million lb., down 0.6 per cent from 489.6 million lb. the previous week, but up 0.3 per cent from 485.0 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending May 6, 2017, was estimated to average 2.085 billion lb., up 1.2 per cent from 2.060 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2017 is estimated to be up 2.1 per cent compared to the same period in 2016.

United States Weekly Meat Production

(May 6) Four Week Average - Million Lb.			Percent Change	
	2016	2017	4 Week	YTD 2017
Pork	468.8	483.7	3.2%	3.0%
Beef	471.0	486.0	3.2%	5.0%
Chicken	985.8	985.3	-0.1%	0.5%
Turkey	134.1	129.6	-3.4%	0.8%
Total	**2,059.7**	**2,084.5**	**1.20%**	**2.11%**

Source: LMIC

Cutout Values

U.S. national pork cutout values for the week ending May 13, 2017 averaged US$81.25 per cwt, up US$4.88 per cwt or 6.4 per cent from US$76.38 per cwt the previous week, but down 1.9 per cent from US$82.81 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending May 13, 2017 averaged US$244.55 per cwt, up US$12.00 per cwt or 5.2 per cent from US$232.55 per cwt the previous week, and up 14.8 per cent from US$213.00 per cwt the same week a year ago. Choice beef cutout prices reached levels not established since July 2015.

Average chicken cutout values (breast) for the week ending May 13, 2017 averaged US$144.89 per cwt, up US$6.52 per cwt or 4.7 per cent from US$138.37 per cwt the previous week, and up 14.0 per cent from US$127.11 per cwt the same week a year ago.

USDA World Agricultural Supply and Demand Estimates (WASDE)

May 10, the USDA released the May World Agricultural Supply and Demand Estimates (WASDE). The May USDA WASDE report revised the 2017 United States Red Meat and Poultry production estimates to 100.735 billion lb., a slight decrease (0.3 per cent) from the April estimates, but a 3.2 per cent increase from 97.612 billion lb. produced in 2016.

Pork production estimates for 2017 in May were estimated at 26.054 billion lb., down slightly from the April estimates on lower carcass weights, but overall 4.5 per cent higher than 2016 U.S. pork production.

USDA May World Agricultural Supply and Demand Estimates

		Million Pounds				Total Red Meat
	Quarter	Beef	Pork	Broiler	Turkey	& Poultry
2014	**Annual**	**24,252**	**22,843**	**38,550**	**5,756**	**92,171**
2015	**Annual**	**23,698**	**24,501**	**40,048**	**5,627**	**94,630**
2016	**Annual**	**25,221**	**24,941**	**40,695**	**5,981**	**97,612**
% Chg.	**2015-2016**	**6.43%**	**1.80%**	**1.62%**	**6.29%**	**3.15%**
2017	April Proj.	26,500	26,095	41,525	6,110	101,003
2017	**May Proj.**	**26,310**	**26,054**	**41,482**	**6,122**	**100,735**
% Chg.	April to May	-0.72%	-0.16%	-0.10%	0.20%	-0.27%
% Chg.	**2016 to 2017**	**4.32%**	**4.46%**	**1.93%**	**2.36%**	**3.20%**

Source: USDA May WASDE Report, May 10, 2017

Leading the way in United States meat production increases in 2017 (by percent) are projected to come from pork (+4.5%), beef (+4.3%), and turkey (+2.4%), followed by broilers (+1.9%). (Source: USDA WASDE)

United States crop projections for (2017/2018) have projected corn acreage at 90 million acres, down from 94 million acres the previous year. Lower corn acres along with lower yield projections have reduced corn production by almost 1.1 billion bushels from the previous year. While U.S. corn production is projected to be significantly lower; reduced corn exports and usage may only reduce ending supplies by less than ten per cent. U.S. Soybean production is expected to take corn acres away as soybean acreage is projected at 89.5 million acres, up from 83.4 million acres the previous year. Production is however estimated to slightly decline from the previous year based on lower soybean yields. With higher projected soybean imports; U.S. ending soybean stocks are actually projected to increase 10 per cent from the previous year.

For more information contact:

Brad Marceniuk, PAg, MSc, BSA
Provincial Livestock Economist
(306) 933-5098
brad.marceniuk@gov.sk.ca